

# THE ILLINOIS



# FREE TRADER

AND LASALLE COUNTY COMMERCIAL ADVERTISER.

OUR COUNTRY—HER COMMERCE—AND HER FREE INSTITUTIONS.

VOLUME 11.

OTTAWA, ILLINOIS, FRIDAY, JANUARY 21, 1842.

NUMBER 35.

## ADDRESS OF THE DEMOCRATIC CONVENTION, TO THE PEOPLE OF THE STATE OF ILLINOIS.

(Continued from last number.)

A diseased action of the banking system, at once the offspring and the soul of the credit system, by which an immense amount of fictitious capital was created, imparting to every description of property a high nominal value—bank paper being the standard by which it was measured—produced among all classes of the community an astonishing excitement, leading to overtrading, rash speculations, and to investments in the most hazardous undertakings. The whole frame-work of society became deranged—the old and slow process of amassing real wealth by industry and economy was laid aside, and the common pursuits of life abandoned, to embark in some speculative schemes—some glittering adventure, by which a fortune might be gathered in a day. Every department of business had the appearance of prosperity, the flag of *Midas* and the golden *Poetelus*, were no longer a fable—fortunes were suddenly made in wild lands and vacant city lots, and no cloud to the common eye could be seen in the horizon of their hopes. While this was the condition, our state commenced her system of internal improvements, her credit unqualified, and every prospect bright before her. It was the act of the people themselves without reference to party distinctions, operated upon by that spirit they could not resist. They demanded that a system should be established, and that their honor should be pledged for the means to conduct it. It was established on credit, on a large scale commensurate with the supposed demands of the whole state—the bonds issued as evidences of indebtedness, became the play-things of banks, stock-jobbers, and foreign bankers—a large amount of them, more than three millions, were invested by the state in banking, and thus our interests became intimately connected with that system, and to its operations we traced all our embarrassments. That interest first stimulated the individual mind, by over action, and then that of the public, to undue excitement in trade, in speculative schemes, and in extravagance. They made money plenty by issuing their promises to pay, and all the operations of society were conducted on their credits. By the same stimulus, an immense foreign debt was created, our imports exceeding our exports in 1837 by more than twenty three millions of dollars, and in 1839, by more than forty-one millions; state stocks were remitted while they were valuable, to discharge this balance, but so many crowding upon that market, and pressing demands existing there for money, they ceased to answer that purpose, and a demand upon the banks, whose notes filled all the channels of trade, became inevitable. Bank notes will not pay foreign debts—the law of the world abroad is gold and silver, and when a demand was made upon them for it, they could not meet it, for by over issues and long loans for purposes of speculation, their circulation was beyond their control, and, in defiance of law, honor, and moral obligation, refused payment. The time seemed never to occur to any of them, that the same obligation rested upon them to pay their debts—to meet their engagements—that rests upon individuals, who, if they have money to pay and it is not on hand, must put their property in market, and will sell it for what it will bring to raise it. If any of the banks had done this, they could have met their engagements; but they generally followed a dishonest head, and their credits, and all that depended upon them, became dishonored. For their own safety they contracted their circulation, which, added to the contraction produced by the foreign demand, diminished the pride of property, the wages of labor, and of every thing within the sphere of their influence. The cloud which the far seeing and sagacious saw in the horizon in 1835, attained, in 1837, midheaven, and burst in torrents over the whole land, causing dismay and ruin to private and public enterprises; and, though the sun of apparent prosperity shone out again in 1838, in the following year it was obscured by another suspension which yet sheds its darkness over us. Its blighting influence is felt everywhere, and, in the general ruin, our state credit has become deeply involved. How to relieve the state from these embarrassments thus produced, and in what manner the evils of the banking system shall be corrected, are questions of great moment, and will doubtless receive your most anxious deliberations. It is for you to determine, in regard to our debt, what course is most in accordance with the democratic principles you profess—and what obligations you rest to discharge it—how far your individual honor is involved in that of the

state, and in that degree that is connected with the national honor.

When we contemplate our vast resources, the rapid population of the country, the immense results of our productive industry amounting two years since to nearly fifty two millions of dollars, yielding per head, on a basis of half a million of inhabitants, to one hundred dollars, and now much increased, we can have no fears that our embarrassments will be permanent. Differing, as many of us do, in the views of duty in regard to this debt, we are resolved that these differences shall not estrange us from that great political party, on whose success depends much of our welfare and happiness. One among the many artifices of our adversaries, will be to divide and distract us upon this question, but we must not be duped by them. They desire to get power, and, from their past conduct, you have no assurances, if they obtain it, that their measures will furnish any means of relief. Trust to none of their professions, for they will promise but to deceive—adhere to the principles and usages of your party—confide in those who profess and practice them, and you will retain that political supremacy which will enable you, through the agents of your choice, to carry into full and complete effect all your decisions upon this and every other question of public importance. Fly not to their arms for protection, their embrace will be your political death, and when they again run riot in the extravagance of their power, crushing down all the barriers that now protect you, you will then indulge in regrets, the more deep and bitter because they will be unavailing, that you ever consented to become their victims. Adhere to your political faith, make that the rock of your salvation, and your high destinies will be accomplished.

It is not to be denied that a state of indebtedness is one of servitude, the borrower is in a degree the slave of the lender, and possesses not that independence of action, of thought, and of purpose, which should characterize a freeman. Mr. Jefferson said long since, when contemplating the miserable condition of the people of England, whose public debt is now four thousand millions of dollars, requiring one third of the earnings of their labor yearly, to pay the interest upon it; that, "if we would preserve our independence, we must not let our rulers load us with perpetual debt. We must make an election between *economy and liberty*, or *profligacy and servitude*."

Our condition is an unfortunate one in this respect, yet mourning over it will not improve it—it will at least be of advantage to us as a warning for the future. As individuals who may have been led away by the false hopes which allured them, and became involved in debt, the remedy is within their own control. It is not in establishing new banks, state or national. They will but aggravate the evil, as offering additional inducements to embark their credit in them—to fly to them with the vain hope of relief will end in sad disappointment. The remedy is in a most thorough retrenchment of all our expenditures—in a rigid economy—in patient labor—enlarging our farms—increasing the number of our stock for market—opening up the bowels of the earth, for its food, its cash, and its various products—sparing less and making more—buying nothing that we can live without, avoiding debt as we would the pestilence, and supporting, with all our energies, democratic principles, for their tendencies are to exalt the condition of man. With such a soul as we have, we need not despair. Its products borne on every river, lake, and sea to supply the exhausted granaries of the old world, will bring back wealth to crown your toil, and afford you more permanent means of relief than all the banks that ever did or ever will exist. The great *panacea* for our sufferings consists in industry and economy. By practising them rigidly, the darkness that now surrounds us will be dispelled, and the glad light of returning prosperity will again beam from our dwellings.

The party in power told you before the election, that, by their success, confidence would be restored, active business would return, and prices of products would rise, and, in some parts of the Union, they declared that all these would be effected by the establishment of a national bank. We have said, fellow citizens, that our distresses have been caused, in a great degree, by the banking system, of which a national bank has been the efficient head, and who can doubt or deny it? The first object of such institutions is to make money for themselves, and vast privileges, which the people do not enjoy, are conferred upon them by law, for this purpose. One of the greatest is, that for every silver dollar they may have in their vaults, they can issue two or three dollars in paper—thus with half a million of dollars in specie, they

may issue, to be circulated as money, one and a half million of dollars. In their private pockets this half million, at the usual rate of interest, 6 per cent, would produce annually 30,000 dollars—in their corporate pockets it would produce more than 90,000 dollars annually, the interest on their loans being taken in advance. If a national bank, and connected with the government, it would have, in addition, the use of all their money to issue notes upon and receive interest for, they paying nothing themselves for the use of it. As they sometimes amount to 10 millions of dollars, they may issue 20 millions of notes upon them, which, loaned at 6 per cent, and the interest retained in advance, would yield them more than \$1,200,000 annually, to be divided out among the stockholders—the rich capitalists, who are ever ready to vest their funds in such institutions. These vast advantages, which the people in general do not enjoy, furnish one reason why the rich and the grasping are so desirous of establishing a national bank. It is to procure a good investment of their surplus money, and make it increase in a quadruple ratio, by the privileges conferred upon the bank, and which privileges exclude all others in society. This is of itself an objection, all partial legislation, all grants of exclusive privileges, except to authors and inventors, are unconstitutional and anti-democratic, and should not be encouraged. In to the question of the constitutionality of such an institution, we will not now enter, fully believing that the opinion of every member of the democratic party is already formed upon that. The enlightened wisdom of the country has condemned it, time and again, as a violation of that instrument—from 1790 to this time, the democracy have been struggling against it, whilst the party now in power have been as unceasingly exerting themselves in its favor. It was hoped it had received its death blow by the hands of the patriot Jackson, who, by his veto of the bill to re-charter the late one in 1832, gained a more lasting and a more enviable renown than he acquired upon his many successful battle fields. To grapple with that power, extending as she had, her hundred arms into almost every state in the Union—subsidizing the wealth and talent of the land—upon whose smiles so many thousands depended to enable them to live in luxury and splendor upon the hard earnings of the people—whose retainers numbered legions, and whose slightest throb was felt at each extremity of the Union, required a degree of energy, boldness, unshaken firmness, and lofty patriotism, only to be found for such a purpose in the person of that distinguished man. He saw and knew instinctively, that that institution was corrupt and corrupting—that the public money was not safe in its possession and to save them and the people from her influence, to rescue the government effectually from the money power, he, as the crowning act to this effort at popular emancipation, directed the public money to be removed to other depositories, and thus broke the last link in the thread of her existence. Grievous were the lamentations of the worshippers of this money god, upon this separation of the government from it, by which they could no longer make profits by the use of the public money—by which its power was prostrated and its promises forced to give up the rich land on which they had so long banqueted.

It is in vain for the advocates of such an institution to urge, that such a bank was useful for any purpose, when she now stands embowelled before the world, and corruption, fraud and wickedness seem seated on her very vitals. The fact that she aided the operations of the treasury department, to any extent greater than any merchant in good credit could do, is denied. The remittances from one section of the Union to the other in which consists the greatest part of the fiscal action of such an institution, we all know, can be done, as well and as safely, without, as with a bank. That she regulated exchanges—a mysterious word and not understood—is also denied. What is exchange about which so much is said, and so much senseless clamor indulged? The partisans of the banking interest tell you, that now, exchange is much deranged, that it is, on New York, eleven per cent, thereby leading you to believe that if there was a United States Bank, it would be much less, carefully concealing from you the fact, that this high rate is owing to the circumstance that the bill of exchange which you buy here, is paid for in our debased and degraded currency, whilst the person in New York upon whom it is drawn, pays it in a currency which is worth nine per cent more than ours, by reason of the banks there, paying specie for their notes. If you buy a bill here, and pay for it in specie, and there be a healthy state of trade, exchange on no one of the eastern cities, can ever

be more than the cost of transporting that specie to those cities, which is the freight and insurance—and those charges upon silver would be about two per cent, and on gold much less, the expenses of freight being less. Exchange then is nothing more than the value of the difference between money here and where you want to place it. When we owe debts abroad, if our exports cannot go forward in sufficient quantities to pay them, we must send gold or silver, or buy bills of exchange from some person here who has money abroad, and we can afford to give for such bills just as much and no more, as it would cost to transport the specie. If we owe nothing abroad, we have no occasion to send our specie, unless it becomes, by bad legislation, so degraded at home, as to be an object of speculation to send it abroad for sale—nor to buy bills of exchange, but gold and silver then come to us if we desire them, for our various productions.

This matter is governed by the universal laws of trade, and banks can no more regulate it from its very nature, than they can regulate the tides of the ocean. The United States Bank never did regulate them and never can. When she was in the full tide of success, with all the money of the government in her power, the domestic exchanges as they are called, were not better in 1823, and at other well remembered periods, than they are at present, and they are now deranged for the reason only, that the banks do not pay specie. Bills of exchange are bought with the paper of the banks—if here, with depreciated paper, to be paid in specie where payable or its equivalent, then there must be added to the price of the bill here, the difference in value between depreciated paper and specie. If the bill is bought with specie to be paid in depreciated bank notes where payable, then there must be deducted from the price of the bill, the difference between the value of the specie you pay with, and the depreciated paper you are to receive in payment of the bill, so that it follows, necessarily, if there was no debased paper in circulation, the exchanges would be nothing more than a healthy condition of trade would produce. Let the banks but pay their debts honestly, pay specie on demand as they promise, and the exchanges will instantly regulate themselves—a stable, constitutional currency will regulate them, but a national bank never can.

Nor, has such an institution ever been an indispensable aid to the operations of commerce. She possesses no one function by which she can afford such aid, unless it be that of increasing, at her will the amount of the circulation by the magic of printers ink, silk paper and hand-some engravings, by which an artificial stimulus is produced, and overtrading and consequent distress, always the result. More mischief is periodically brought upon a paper money nation, by the exercise of this banking faculty, than by all the tempests, droughts, or diseases which have ever visited it. This faculty gives to the banks the control over the currency of the nation, and they make it scarce or plenty as their interests may direct, and thus set at naught all business calculations. To make a contract when currency is plenty, and to perform it when it is scarce, necessarily subjects the enterprise of the people to great losses and loss. The standard by which values are measured constantly fluctuating, must produce enormous mischief—so great as would be produced by frequent changes of the yard-stick, the capacity of measures or the density of weights. It is then a matter of the highest importance, that this standard of value—money—should be uniform—not liable to change, so that every thing can be safely measured by it, and by common consent of nations and the requirements of our own constitution, it has been fixed in the precious metals. They never fluctuate, they always remain the same, unless interfered with by violent legislation. This power over the currency which banks possess, has a tendency also to diminish the circulation of those metals, in fact, it either banishes them altogether from the country, as is now the case, or causes them to be hoarded—made an article of merchandise, or wrought into plate, jewelry, or other appendages to luxury. If business can be carried on with a debased currency, the circulation of coin is prevented; an eagle and a ten dollar note will not circulate in the same channels; the coin will be hoarded or become an article of traffic. Where there is no demand for gold or silver, where the people will consent, year after year, to receive depreciated paper in exchange for their toil and sweat, there will be no specie in circulation. Restrict the use of this paper by refusing to receive it, except at its value as compared with specie, and coin will mingle in the circulation. All experience shows this to be true. The argument that there

is not gold and silver in the country for purposes of trade, is met by the fact, that the statistics of those countries show, that in Europe and America alone, there are more than two thousand millions of gold and silver coin, and in plate and jewelry a much greater amount. The annual product of the gold and silver mines of the world is more than thirty-three millions, and as we live near some of them, have amicable relations with the countries owing them—manufacture and produce for them, our exports there will bring them to us if we desire them, but whilst ever bank paper, and that depreciated, is permitted to form the bulk of our currency, so long as the people are content to take rags in exchange for their toil, so long will the precious metals cease to circulate. Create but a demand for them by refusing a debased currency, and they will as assuredly flow in upon us, as that the Mississippi sends its current to the Gulf.

Neither is the position of the bank party true, that a national bank makes the currency uniform, the same every where, and that if one was again established, the currency would be improved by it. It never did in its palmyest days, and during the whole period of its existence, contribute anything to that object. That was not the purpose of those who controlled it—it was to make money for themselves. No paper currency can be improved unless the basis on which it rests is enlarged—unless the proportion of gold and silver to paper, is greatly increased. The annals of that institution cannot show a time, in which she, with all her power, produced that effect. Before the measures commenced by president Jackson to improve the currency, the importations of gold and silver exceeded by a very small amount the exports. During a part of his administration and of that of his successor, from 1831 to 1839, the importation of gold and silver bullion, and of gold and silver coin, in the space of four years, exceeded the exports by more than forty-six millions of dollars—thus infusing into the circulation of the country a principle of safety and an element of vitality, which no national bank ever did or can do. Not one of the reasons in favor of such an institution, even if it were constitutional, has any existence in fact, and the sagacious and intelligent will not be deceived by them. But it is capable of much mischief, it can control the legislation of the country, by buying up in the shape of loans and discounts, numbers of congress, which it attempted to do, as shown by Mr. Tyler's report to congress in 1834—it can subsidize the press in the same way as is shown by the same document, and by its power to expand and contract its circulation, it can control the price of all the property and labor of the country. Such an institution, fellow-citizens, never can benefit you in any manner, and you never can favor one, until the time shall come, when you are willing that your sweat shall fertilize the rich man's fields. The late bank, whose depraved and wicked conduct, whose corruptions, plunderings and frauds now stand exposed to the gaze of the people, should be a warning to you all, never, under any pretext whatever, to sanction another. It is now demolished, and in a state of decomposition and decay—the rot and the taints are busy with the carcass, and soon it will disappear from the earth forever.

No people can prosper where the currency is under the control of banks, and where all the operations of community are conducted on their credits. Such a currency becomes debased, as it has been for the last four years, by suspensions of payment, and the value of property made to fluctuate in obedience to other laws than those of trade. This should not be—with our great natural advantages we ought not to be, periodically, the sport of such institutions, involving by their reckless operations the ruin of thousands of our most enterprising citizens and destroying, as with a mildew, the prosperity of a whole community. They prompt also an extravagant spirit, for who would keep paper whose value is subject to so many and sudden changes? Besides the losses which are thus occasioned in a pecuniary view, great and wide spread demoralization is an inevitable consequence. Many thousands who contract in an inflated state of the currency to pay money, are required to perform when the banks have contracted it, when either ruin and bankruptcy follow, or resort is had to disreputable means to avert the threatened evil. Fraudulent transfers of property—expatriation, and every dishonest trick and artifice is contrived to save something from the general wreck. Nor is the obligation of contracts felt with that moral force they should be. Banks being permitted to violate their contracts, a public opinion is speedily generated tolerating a like conduct in others—speculations and

frauds become familiar by the frequency of their perpetration, until finally crimes of the deepest dye cease to shock the moral sense.

You have, fellow-citizens, the power to aid in preventing much of this, and that too in a way by which your interests will be greatly promoted. It is by going down to the root of the evil—by compelling such banks as you can control to perform their contracts. This will be your high duty acting through your representatives in the general assembly. To compel them by severe enactments to resume the payment of their notes on demand or wind up their affairs. Those banks which are solvent, cannot be injured by such a course, whilst those which are insolvent will be deprived of the power of doing further injury. Public opinion, acting in this direction, will produce more real and lasting benefit to community than any national bank, and will restore at once to the country a sound and healthy circulation. Coin which has been hoarded for years, will again make its appearance, replacing the notes which now circulate and filling the channels of trade. For your labor you will then receive a fair equivalent, subject to no deterioration and of equal value in the marts of the world. Will but the presence of gold and silver by the exercise of your power, and it will instantly appear. In the greatest commercial city of the Union, whose banks pay on demand, specie is abundant, obeying the universal law, that where there is a demand for it there it will flow. It is superabundant there, to such a degree, it is not being wanted in other parts of the Union, the people tolerating bank suspensions, that it is sent abroad to foreign countries as an article of traffic. By your prompt and fearless action you can avert this, and thus produce a reform in the currency which shall give to every possessor its just reward—take from the advocates of a national bank their strongest argument for the establishment of another, by regulating the exchanges, and relieve yourselves from the losses to which you are now constantly exposed; and above all, produce a moral reform in society, the effects of which will be great, lasting and benign. To this high and patriotic duty we should all be pledged, and thus manifest to the world, that whilst we profess democratic principles, we have the courage to practice upon them. As members of that party, we are all under a most weighty responsibility, let us then resolve so to discharge it, as to give no occasion for the reproach, that our professions are insincere—our principles mere catch-words, and thus bring upon us the scorn and contempt of mankind.

By acting in conformity with them you will aid more in alleviating your burdens than by any other course. Patriotism, self-interest, the high demands of justice, all conspire to prompt you to it.

The foe you have to contend against will act over again the scenes of 1840, will get up false issues before you, and by shows, parades and unnatural excitement, may attempt again to lead you away from the merits of the controversy, but be upon your guard and remember, that now, as then, it will be, though on a smaller arena, a struggle between democratic principles and their opposites—between mind and money which shall bear away, and as they will make no declaration of their principles for the public eye, but assume such masks and disguises as may best aid in concealing their real designs, and ask of you a generous confidence, you would be willing traitors to the glorious cause you have espoused, if you are deceived by their hollow professions or captivated by their deceptive promises.

Make up then your determinations. Though disaster and overthrow may threaten you, though the adversary may be bold, confident and vigorous, be not dismayed—arouse all your energies for the coming strife, and under the folds of that ample banner on which your principles are emblazoned, strike resolute blows for their success, and lose not in the conflict, the well earned glories you have already acquired over the same arid, insidious and dangerous foe. Remember the eyes of the nation are upon you. Remember your former triumphs and successes. Remember, when but lately, state after state strayed from its course, Illinois moved on unwavering and in spotless lustre. Let her still shine out in all her wonted brilliancy—let her bright radiance serve to guide her wandering sisters home to their accustomed places in the firmament. Let not her light now grow dim—let her still be hailed as the unsullied Western Star!

(Signed by all the delegates.)

Extreme Temperance.—Cutting off one's toes because they get corned.